

From: Daniel Castle <dcastle@iconixbrand.com>
Sent: Thursday, April 24, 2014 4:35 PM
To: Jared Margolis <JaredMargolis@lfasia.com>; Neil Cole <ncole@iconixbrand.com>
Cc: Ethan Cole <ethancole@lfusa.com>
Subject: RE: Victor

This still seems strange to me.

It sounds like he's paying "additional" either way.

Why don't we just make it simple and Victor pays the unaid amount owed by Harry each year.

On another note, the long form is being sent to you tomorrow or Monday. Legal is working on it.

Best,

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From: Jared Margolis [mailto:JaredMargolis@lfasia.com]
Sent: Thursday, April 24, 2014 4:23 PM
To: Neil Cole; Daniel Castle
Cc: Ethan Cole
Subject: FW: Victor

Hi Neil and Dan,

- Each year, Victor will guarantee the delta between any excess royalty payments and amounts outstanding with Harry
- The "delta" amount that Victor provides will be entirely payable to Iconix (not split with LF)
- All excess royalty payments are split 50-50 with LF and Iconix as per the terms of our JV

Example 1:

If there was \$50k in excess in Y1, Victor's proposal would result in the following:

- Victor to pay \$50k to Iconix to cover the delta between the \$100k owed by Harry and the \$50k of excess royalties
- The 50k in excess royalty would be allocated 50-50 between LF and Iconix

Therefore, under this example, Iconix would receive a total of \$75k and LF would receive a total of 25k.

Example 2:

If there was \$0 in excess in Y1, Victor's proposal would result in the following:

- Victor to pay \$100K to Iconix to cover the delta between the \$100k owed by Harry and the \$0 of excess royalties.

Therefore, under this example, Iconix would receive the full \$100k and LF would receive \$0.

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